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LOCKHEED MARTIN AWARDED \$149 MILLION CONTRACT MODIFICATION

WASHINGTON - U.S. Representative Maurice Hinchey (D-NY) today announced that the U.S. Navy has awarded Lockheed Martin Systems Integration - Owego a \$149.2 million modification to a previously awarded contract. The modification is for engineering and manufacturing development in connection with the Navy's Multi-Mission Helicopter Program (MH-60R).

"This is great news for Lockheed Martin, for the Owego community, for the military personnel who will use these aircraft, and for the American taxpayers," said Hinchey. "The Navy is making a wise choice by continuing to entrust this important work to Lockheed Martin."

"This affirms the U.S. Navy's confidence in Lockheed Martin as the premier systems integrator for this critical weapon system platform, which is the cornerstone of the Navy's Helicopter Master Plan," added Frank C. Meyer, president of Lockheed Martin Systems Integration – Owego.

The Navy initiated the MH-60R Engineering and Manufacturing Development program in 1993 to meet the increased war-fighting needs of tactical rotary wing aircraft operating in coastal areas. The current program plan is to build new helicopters with upgrades, including dipping sonar, Multi-Mode Radar with Inverse Synthetic Aperture mode for target classification, improved Electronic Support Measures, and an integrated self-defense suite. The MH-60R is a key element to the success of the Navy's Helicopter Master Plan, which is projected to save hundreds of millions of dollars.

The modification announced today resulted from changes the Navy has made in the original contract's specifications. Because of these changes, Lockheed Martin will be "rebaselining" engineering and manufacturing development of the avionics systems for two prototype and two test article MH-60R aircraft. Work will be performed in Owego, N.Y., and is expected to be completed in February 2005.

The contract, of which this new modification is a part, helps Lockheed Martin Systems Integration – Owego sustain its current work force of approximately 4,300 employees. The company has hired more than 300 employees every year since 1996.